

July 2009

# Highlights

Internal Audit Report to the  
Board of Supervisors

## Why We Did This Review

Every three years, Arizona courts are required to have an independent Minimum Accounting Standards (MAS) review.

The MAS review is an Agreed-Upon Procedures engagement in which an independent accountant performs standard audit procedures set forth by the Supreme Court of Arizona, Administrative Office of the Courts (AOC). Internal Audit performs MAS engagements at a significant cost savings to the County, as the cost to hire an outside consultant would be substantially higher.

Minimum accounting standards were developed to standardize accounting practices and procedures, and to assist court personnel in bringing financial operations into compliance with statute and Generally Accepted Accounting Principles (GAAP).

Our review assists the AOC in evaluating each court's compliance with MAS. The AOC is responsible for following up on all audit exceptions.



For more information, please contact  
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## Clerk of the Superior Court

### Minimum Accounting Standards (MAS) Agreed-Upon Procedures Review

## What We Found

The Clerk of the Superior Court (COSC) performs disbursements and case-related cash collections at various locations throughout Maricopa County. Our audit work was performed at the following COSC divisions: General Accounting & Collections, Civil Court, Family Court, and Juvenile Court.

Some of the exceptions we identified are listed below:

- Bank reconciliations were not prepared for an escrow account with a \$10 million balance
- COSC's list of bank accounts was not complete
- Access to check requisition forms is not properly restricted
- Check requisition forms are not sequentially pre-numbered and are not reconciled to checks issued
- Voided receipts and manual receipts do not always contain evidence of a secondary review
- There are no written guidelines for refunding bonds

## Scope of Work

We performed our review from April 1, 2009 through June 24, 2009. The MAS Agreed-Upon Procedures encompass the following areas:

- Administrative Requirements
- Safeguarding Monies and Financial Records
- External Review by Auditors
- Segregation of Duties
- Cash Handling
- Disbursements
- Deposits and Bank Accounts
- Reconciliation of Financial Records
- Outstanding Checks
- Bonds
- Reporting

We conducted this review as part of our FY 2009 Board of Supervisors approved audit plan. Our review was performed in accordance with standards established by the American Institute of Certified Public Accountants.

We appreciate the excellent cooperation received from the Clerk of the Superior Court's management and staff while conducting this review. For a complete copy of the MAS report and COSC's response, contact our office.

*"Do the Right Things Right!"*

*Maricopa County Internal Audit Department*